

# Exhibit A

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25 Attorneys for Plaintiff

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27  
28 **UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

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29  
30 **UNITED STATES OF AMERICA, ) Civil Action No.  
31 Plaintiff, ) STIPULATION AND  
32 ) [PROPOSED] ORDER FOR  
33 v. ) ENTRY OF CONSENT ORDER  
34 ) OF RECEIVERSHIP  
35 **RED ROCK VENTURES - SBIC III, L.P.)**  
36 **Defendant. )**  
37  
38 )**

39 WHEREAS, upon the filing of this Stipulation the Plaintiff, United States of America, on

1 behalf of its agency, the U.S. Small Business Administration ("Plaintiff" or "SBA") has filed and  
2 caused to be served upon Defendant, Red Rock Ventures – SBIC III, L.P. ("Defendant") a  
3 complaint for receivership pursuant to 15 U.S.C. §687c;

4 WHEREAS, Defendant has consented to an order for receivership against it to be entered  
5 on any date on or after **June 05, 2013**; and

6 WHEREAS, the said parties desire to resolve this matter amicably without further  
7 proceedings, trial or adjudication of any issue, and therefore stipulate and agree as follows:

8 1. That this Court has jurisdiction over the subject matter of this action and over  
9 Defendant pursuant to 15 USC §§ 687(d) and 687c;

10 2. To the entry of the attached Consent Order for Receivership without further  
11 proceedings;

12 3. That findings of fact and conclusions of law pursuant to Rule 52 of the Federal  
13 Rules of Civil Procedure are hereby waived;

14 4. That Defendant has already agreed to a Consent Order for Receivership and  
15 injunctive relief filed herewith and appointment of SBA as its receiver pursuant to 15 U.S.C.  
16 §687c and waives any right it may have to contest the validity of same;

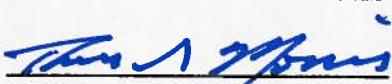
17 5. Defendant withdraws and otherwise irrevocably waives with prejudice any all  
18 arguments and defenses that it could assert in this matter, if any;

19 6. Each of the parties will bear its own costs, fees and expenses in this case; and

20 7. That the Consent Order for Receivership may be presented by Plaintiff to the  
21 Court for signature and entry without further notice on any date on or after June 5, 2013;  
22 however the Plaintiff will provide notice of entry to Defendant.

23 **STIPULATED AND AGREED BY:**

24 U.S. SMALL BUSINESS ADMINISTRATION

25 By: 

26 Thomas G. Morris  
27 Director, Office of Liquidation  
28 U.S. Small Business Administration  
Investment Division

Date: November 2, 2015

1 RED ROCK VENTURES - SBIC III, L.P.  
2

3 By: *J. R.*

4 Name: *Robert Todd*

5 Title: *Managing Member*

6 Date: *10/29/15*

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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

UNITED STATES OF AMERICA, ) Civil Action No.  
Plaintiff, )  
 )  
v. ) CONSENT RECEIVERSHIP  
 ) ORDER  
 )  
RED ROCK VENTURES - SBIC III, L.P.)  
Defendant. )  
 )

Before this Court is the Complaint by the United States of America, on behalf of the

1 United States Small Business Administration ("SBA"), for a permanent injunction, and the  
 2 appointment of the SBA as Permanent Receiver for Red Rock Ventures – SBIC III, L.P. pursuant  
 3 to 15 U.S.C. § 687c. The Court, pursuant to a stipulation for a consent order presented by the  
 4 parties, finds that this relief should be granted:

5 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

6 1. Pursuant to the provisions of 15 U.S. C. § 687c, this Court shall take exclusive  
 7 jurisdiction of Red Rock Ventures – SBIC III, L.P. (hereinafter "Red Rock III") and all of its  
 8 assets, wherever located, and the United States Small Business Administration ("SBA"), is  
 9 hereby appointed receiver ("the Receiver") of Red Rock III to serve without bond until further  
 10 order of this Court. The Receiver is appointed for the purpose of administering, marshaling and  
 11 liquidating all of Red Rock III's assets to satisfy the claims of creditors therefrom in the order of  
 12 priority to be determined by this Court.

13 2. The Receiver shall have all powers, authorities, rights and privileges heretofore  
 14 possessed by the general partners, limited partners, managers, officers, directors and agents of  
 15 Red Rock III under applicable state and federal law and by the Agreement of Limited  
 16 Partnership of said limited partnership, in addition to all powers and authority conferred upon the  
 17 Receiver by the provisions of 15 U.S.C. § 687c and 28 U.S.C. § 754. The general partners,  
 18 managers, directors, officers, employees and agents of Red Rock III are hereby dismissed. Such  
 19 persons shall have no authority with respect to Red Rock III's operations or assets, except as may  
 20 hereafter be expressly granted by the Receiver. The Receiver shall assume and control the  
 21 operation of Red Rock III and shall pursue and preserve all of its claims.

22 3. The past and/or present officers, directors, agents, managers, general partners,  
 23 accountants, attorneys and employees of Red Rock III, as well as all those acting in their place,  
 24 are hereby ordered and directed to turn over to the Receiver forthwith all books, records,  
 25 documents, accounts and all other instruments and papers of said partnership and all other assets  
 26 and property of the partnership, whether real or personal. Red Rock III's general partner, RRV  
 27 Partners IIIA, LLC, shall furnish a written statement within five (5) days after the entry of this  
 28 Order, listing the identity, location and estimated value of all assets of Red Rock III as well as

1 the names, addresses and amounts of claims of all known creditors of Red Rock III. All persons  
 2 having control, custody or possession of any assets or property of Red Rock III, including its  
 3 General Partner, are hereby directed to turn such property over to the Receiver.

4. The Receiver shall promptly give notice of its appointment to all known officers,  
 5 directors, agents, managers, general partners, employees, limited partners, creditors, debtors and  
 6 agents of Red Rock III. All persons and entities owing any obligations or debts to Red Rock III  
 7 shall, until further order of this Court, pay all such obligations in accordance with the terms  
 8 thereof to the Receiver, and its receipt for such payments shall have the same force and effect as  
 9 if Red Rock III had received such payments.

10. The Receiver is hereby authorized to open such Receiver's bank accounts, at  
 11 banking or other financial institutions, to extend credit on behalf of Red Rock III, to utilize SBA  
 12 personnel, and to employ such other personnel as necessary to effectuate the operation of the  
 13 receivership including, but not limited to, attorneys and accountants, and is further authorized to  
 14 expend receivership funds to compensate such personnel in such amounts and upon such terms  
 15 as the Receiver shall deem reasonable in light of the usual fees and billing practices and  
 16 procedures of such personnel. The Receiver is not required to obtain Court approval prior to the  
 17 disbursement of receivership funds for payments to personnel employed by the Receiver or  
 18 payments for expenses incidental to administration of the Receivership. In addition, the  
 19 Receiver is authorized to reimburse the SBA or its employees for travel expenses incurred by  
 20 SBA personnel in the establishment and administration of the receivership. The Receiver may,  
 21 without further order of this Court, transfer, compromise, or otherwise dispose of any claim or  
 22 asset, other than real estate.

23. Red Rock III's past and/or present officers, directors, agents, managers, general  
 24 partners, limited partners, employees, and other appropriate persons (including, without  
 25 limitation, the defendant's portfolio of small business concerns and banks or other financial  
 26 institutions doing business with defendant and/or defendant's portfolio of small business  
 27 concerns) shall answer under oath, pursuant to a Receiver's Notice or Subpoena, to the Receiver,  
 28 all questions which it may put to them regarding the business of said partnership, or any other

1 matter relevant to the operation or administration of the receivership or the collection of funds  
2 due to Red Rock III. In the event that the Receiver deems it necessary to require the appearance  
3 of the aforementioned persons, the production of documents, information, or any other form of  
4 discovery concerning the assets, property or business assets of Red Rock III, or any other matter  
5 relevant to the operation or administration of the Receivership or the collection of funds due to  
6 Red Rock III, the Receiver shall direct notice for any such appearance by certified mail, and said  
7 persons shall appear and give answer to the Receiver, produce documents or submit to any other  
8 form of discovery in accordance with the Federal Rules of Civil Procedure.

9       7. The parties or prospective parties to any and all civil legal proceedings wherever  
10 located, including, but not limited to arbitration proceedings, bankruptcy or foreclosure actions,  
11 default proceedings, or any other proceedings involving (i) Red Rock III, (ii) any assets of Red  
12 Rock III, (iii) the Receiver for Red Rock III, or (iv) Red Rock III's present or past officers,  
13 directors, managers, or general partners (including the managers, partners or members of such  
14 general partner) to the extent said civil legal proceedings involve any action taken by them while  
15 acting in their official capacity with Red Rock III, are enjoined from taking any action, including  
16 discovery, commencing or continuing any legal proceeding of any nature without further order of  
17 this Court.

18       8. All civil legal proceedings wherever located, including arbitration proceedings,  
19 foreclosure activities, bankruptcy actions, or default proceedings, but excluding the instant  
20 proceeding, involving (i) Red Rock III, (ii) any of assets of Red Rock III, (iii) the Receiver for  
21 Red Rock III or (iv) Red Rock III's present or past officers, directors, managers, or general  
22 partners (including the managers or members of such general partner) to the extent said civil  
23 legal proceedings involve any action taken in their official capacity for Red Rock III are stayed  
24 in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or  
25 permitting any action in such proceedings until further Order of this Court.

26       9. As to a cause of action accrued or accruing in favor of Red Rock III against a  
27 third person or party, any applicable statute of limitation is tolled to the extent allowed by  
28 //

1 applicable law during the period in which this injunction against commencement of legal  
 2 proceedings is in effect as to that cause of action.

3       10. Red Rock III and its past and/or present directors, officers, managers, general  
 4 partners, agents, employees and other persons acting in concert or participation therewith be, and  
 5 they hereby are, enjoined from either directly or indirectly taking any actions or causing any such  
 6 action to be taken which would dissipate the assets and property of Red Rock III to the detriment  
 7 of the Receiver appointed in this cause, including but not limited to destruction of partnership  
 8 records, or which would violate the Small Business Investment Act of 1958, as amended, (the  
 9 "Act"), 15 U.S.C. § 661, et seq., or the regulations promulgated thereunder, (the "Regulations"),  
 10 13 C.F.R. § 107.20, et seq.

11       11. The Receiver is authorized to borrow on behalf of Red Rock III, from the SBA,  
 12 up to \$1,000,000, and is authorized to cause Red Rock III to issue Receiver's Certificates of  
 13 Indebtedness in the principal amounts of the sums borrowed, which certificates will bear interest  
 14 at or about 10 percent per annum and will have a maturity date no later than 18 months after the  
 15 date of issue. Said Receiver's Certificates of Indebtedness shall have priority over all other debts  
 16 and obligations of Red Rock III, excluding administrative expenses of the Receivership, whether  
 17 presently existing or hereinafter incurred, including without limitation any claims of partners of  
 18 Red Rock III.

19       12. This Court determines and adjudicates that Red Rock III is capitally impaired  
 20 above its allowed maximum, which constitutes a violation of 13 C.F.R. § 107.1830(b) (capital  
 21 impairment) and 13 C.F.R. § 107.507(a) (non-performance due to capital impairment) of the  
 22 Regulations as alleged in the Complaint filed in this matter. After completing its activities in  
 23 accordance with this Order, the Receiver may recommend that Red Rock III's license as an SBIC  
 24 be revoked and may recommend that control of the limited partnership be returned to Red Rock  
 25 III's general partner.

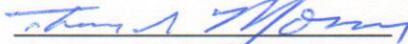
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1 THE PARTIES BY THEIR SIGNATURES (BELOW OR BY COUNTERPART) STATE  
2 THAT THEY STIPULATE AS TO THE FORM AND CONTENT OF THIS CONSENT  
3 ORDER FOR RECEIVERSHIP:

4 U.S. SMALL BUSINESS ADMINISTRATION

5 By: 

6 Thomas G. Morris  
7 Director, Office of Liquidation  
U.S. Small Business Administration  
Investment Division

8 Date: 11-20-2015

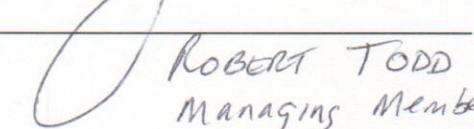
10 RED ROCK VENTURES – SBIC III, L.P. 

11 By:

12 Name:

13 Title:

14 Date:

  
ROBERT TODD  
Managing Member

11/18/15

1 Dated: 11/23/15

2 By:   
3 ERIC J. ADAMS

4 Special Assistant United States Attorney  
5 U.S. Small Business Administration  
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9 Facsimile: (415) 744-6812  
10 [eric.adams@sba.gov](mailto:eric.adams@sba.gov)

11 **IT IS SO ORDERED**

12 this \_\_\_\_ day of \_\_\_\_\_, 2015.  
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